



Ruth N. Wylie Certified Public Accountant

FINANCIAL AUDIT MANAGEMENT REPORT

Major General James H. Lipscomb, III, Adjutant General
Mississippi Military Department
P. O. Box 5027
Jackson, MS 39296-5027

Dear General Lipscomb:

The firm of Ruth N. Wylie, Certified Public Accountant, has completed its audit of selected accounts included on the financial statements of the Mississippi Military Department for the year ended June 30, 2003. These financial statements are consolidated into the State of Mississippi's Comprehensive Annual Financial Report.

The fieldwork for audit procedures and tests was completed on October 16, 2003. These procedures and tests cannot and do not provide absolute assurance that all state legal requirements have been met.

Internal Control over Financial Reporting

In planning and performing my audit of selected accounts included in the financial statements, I considered the Mississippi Military Department's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on these accounts and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

Compliance

As part of obtaining reasonable assurance about whether selected accounts included on the financial statements of the Mississippi Military Department are free of material misstatement, I performed tests of compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of

financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. I am pleased to report the results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, the Office of the State Auditor, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

I appreciate the cooperation and courtesy extended by the official and employees of the Mississippi Military Department throughout the audit. If you have any questions or need any more information please do not hesitate to call.

Ruth N. Wylie, CPA, CCFM

Madison, Mississippi

October 17, 2003